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FROM: DEVINDER SINGH
AGM, PSG-Comml.
PEM, BHEL
Ground Floor,
PPEI, NOIDA

TO: Shri N. K. GUPTA
GM-MM
PEM, BHEL
Ground Floor,
PPEI, NOIDA

Our Ref : PEB-04-SUD-8BC-DSK-SCC

Yr. Ref.:

Date : 31.08.2007

Date :

Sub : SCC, Rev. 2 for 4x125 MW KOSTI TPS - SUDAN

Based on the feedback from MM for the floated enquiries so far, the volume IV-A, rev. 02, Aug.31, 2007 is enclosed for implementation in this project.

The SCC for Supervision of E&C has already been given by Sh. Paresh Gupta, AGM-PSG, to MM and same shall be followed alongwith this SCC (Rev.02) for Supplies.

This SCC supersedes all the earlier revisions/ addendums and is a consolidated SCC as on date.

This SCC (Rev.02, dated 31 Aug., 2007) shall be read in conjunction with volume IV-B (Supervision of E&C).

This is to inform that PEM allocation is upto F.O.B. Indian Port, i.e. F.O.B. Chennai Port. As per this SCC the vendor prices shall be upto F.O.R. Chennai PORT/ DOCK near Marshalling Yard. The further activities, e.g. Unloading from vendor's vehicle, custom examination/ clearance charges, loading on the vessel, preparation of shipping documents/ Bill of lading shall be done by BHEL-ROD, CHENNAI on behalf of PEM. The debit for such charges shall be accepted by PEM from ROD, CHENNAI through IO-Projects.

The SCC (Rev.02) has been revised in line with discussions held on 31st Aug. 2007 with GM-MM, DH-MM, AGM-PSG (SUDAN), Sr. Manager-Finance, PEM and AGM, PSG-Comml.

Regards,


(DEVINDER SINGH)

Distribution:

1. GM (PSG)
2. Sh. Paresh Gupta, DH-Sudan Project, PSG-PEM.
3. SDGM - Finance

31.08.2007

Project: 4x125MW KOSTI THERMAL POWER PROJECT - SUDAN

**SPECIAL CONDITION OF CONTRACT (SCC) FOR SUPPLY & SUPERVISION OF
ERECTION AND COMMISSIONING**

These conditions shall be read & construed along with General Condition of Contract, sent along with tender enquiry and in case of any conflict or inconsistency, the provisions of these special conditions of contract shall prevail.

- 1.0 The **"Purchaser"** shall mean **"BHARAT HEAVY ELECTRICALS LIMITED"** which shall also be referred as **"BHEL"** in these documents.

The **Sales Tax Registration No.(s)** of BHEL PPEI NOIDA (UP) are CST No. ND5341151 dated 01.07.2006 and **Local Sales Tax No.** ND0345307 dated 01.07.2006 IEC No.0588138690.

- 2.0 The **"OWNER / CUSTOMER"** NATIONAL ELECTRICITY CORPORATION – KHARTOUM, SUDAN, who will be the ultimate owner / Customer of this Project. Herein after to be called **NEC – SUDAN**.

- 3.0 **Ultimate Customer name and address:** NATIONAL ELECTRICITY CORPORATION
99, GAMA'A AVENUE
P.O. BOX 1380
KHARTOUM – SUDAN
TEL: 249-183-776321
FAX: 249-183-782188

- 4.0 **SELLER /CONTRACTOR** shall mean the Supplier or the Contractor on whom BHEL has awarded the contract.

- 5.0 **CONSIGNEE:** NATIONAL ELECTRICITY CORPORATION
99, GAMA'A AVENUE
P.O. BOX 1380
KHARTOUM – SUDAN

- 6.0 **PORT OF ENTRY POINT IN SUDAN:** PORT SUDAN/ AIRPORT OF SUDAN

- 7.0 **Country of Origin:** India / Europe/ Asian/ USA/ GCC Ports

- 8.0 **PAYING AUTHORITY (BHEL-PEM PPEI NOIDA-UP):** All payments in Indian rupees for Domestic Suppliers in line with the terms of payment of Purchase Order as per condition 11.1 of this SCC applicable for **SUPPLY** to be made by:

BHEL -PEM PPEI, NOIDA
SDGM / FINANCE
POWER BLOCK PPEI, BHEL PEM
PLOT 25, SECTOR 16A
(NEAR FILM CITY) NOIDA - 201301

Also for foreign suppliers, the Paying Agency will be same as above. However, foreign payments for foreign supplier in agreed currencies shall be made through Irrevocable LC by

SDGM / FINANCE / BHEL PEM PPEI, NOIDA in line with the terms of payment as per condition 11.1 of this SCC applicable for supply. For the domestic suppliers the documents for payment are indicated at clause 14.1 and for foreign suppliers documents for payment are indicated at clause 14.2.

9.0 CONTACT POINT FOR CORRESPONDENCE IN PEM:

**CONCERNED EXECUTIVE in MM
BHEL PEM,
PPEI,
PLOT 25, SECTOR 16A
(NEAR FILM CITY) NOIDA - 201301**

NOTE: All correspondence from vendor must indicate Project Name, Purchase Order No. and Package etc. for properly linking the correspondence with the said purchase order/ orders.

10.0 TAXES & DUTIES ON SUPPLY:

10.1 DOMESTIC MANUFACTURERS/ SUPPLIERS:

10.1.1 This being a Physical Export Project, the benefit of movement of goods without payment of Excise duty on your self manufactured items and NIL Sales Tax against Form-H (in case of interstate movement of goods to FOR Chennai) shall be available. The statutory changes in Taxes/ Duties and Levies, if any imposed by State /Central Govt. during the contract delivery period on your self manufactured items, shall be covered under this exemption. The bidder to note that exemption of Excise Duty and Taxes on bidder's further sub-vendor items shall be covered by the undertaking Procedure. The bidder to consider NIL Excise duties & NIL CST of their sub-vendor's items in their prices to BHEL and shall give certificate to this effect in the price format. .

In order to avail the Exemptions for payment of Excise duty, the following procedure to be followed by the bidder.

10.1.1.A. CLEARANCE OF GOODS BY UNDERTAKING BY VENDOR: APPLICABLE FOR THEIR SUB-VENDORS' SUPPLIES.

- D) The bidder shall register their undertaking themselves with their Local Range Excise office for movement of their sub-vendors' goods without payment of Excise duty and ARE-1 Form. The ARE-1 Form shall be prepared in sextuplicate & signed by bidder & also same shall be signed by authorized official in BHEL-PEM, PPEI NOIDA at the place provided as Exporter of goods to SUDAN for above project. The complete responsibility of cancellations of the undertaking & ARE-1 with their local excise office, after the dispatch of materials to FOR Chennai Port, shall rest with the bidder. However, relevant documents for cancellations of their undertaking after completion of dispatches with proof of Shipment of goods from India to SUDAN i.e. Bill of Lading, Export Promotion copy & copy of the BHEL invoice raised to customer (if required) shall be provided by BHEL to respective bidder/ supplier.

- II) PEM supplier shall cover the supplies of their sub-vendor under the above undertaking registered with their local range Excise Office, for availing the exemption in payment of NIL excise duty at the time of movement of goods from their sub-vendor works / BOI either to Chennai Port OR to their works as Physical Export for SUDAN Project. The ARE-1 Form shall be dealt between the supplier & their Sub-supplier. The cancellation of the said undertaking shall remain the responsibility of the supplier and their Sub-vendor. However, Document, if required by the supplier from BHEL-PEM as Main Exporter for the registration of their undertaking OR for cancellation of undertaking, shall be provided. The requisite documents shall be identified by the PEM supplier with BHEL-PEM/ MM-PPEI NOIDA at Enquiry Stage under OR during clarifications OR before the price bid opening.

The supplier has to give an undertaking in writing to PEM-MM-PPEI, NOIDA along with Price Schedule, that NIL Excise Duty and NIL Sales Tax as applicable for self manufactured Or their Sub-vendors items have been considered while making price offer to BHEL-PEM.

10.1.1.B. EXEMPTION OF EXCISE DUTY BY BLOCK TRANSFER & ARE-1 by BHEL-PEM PPEI NOIDA: APPLICABLE FOR VENDOR'S SELF MANUFACTURED SUPPLIES

PEM shall register the Excise Bond with Excise Commissioner (Tech. Wing), ITO New Delhi, for this Project for permission to dispatch the goods without payment of Excise Duty from their vendor's works anywhere in India, by Block Transfer (CT-1) & ARE-1.

In this regard, BHEL PPEI NOIDA shall issue the Block Transfer (CT 1) & ARE-1 to the supplier for availing above-mentioned exemptions. In order to get the Excise duty Block Transfer (CT-1) & ARE-1 issued from BHEL-PEM, the bidder shall give request in writing before the dispatch of goods, to BHEL-PEM indicating the exact amount of Excise duty involved, rate of excise duty i.e. + Education cess, items descriptions, Tariff Head / chapter etc for obtaining Block Transfer & ARE-1 to the supplier, to their respective Excise range/ Office out of the Main Excise Block registered by BHEL PPEI NOIDA with the office of Excise Commissioner (Tech Branch), ITO New Delhi.

The ARE-1 in Sextuplicate shall be issued by BHEL PPEI NOIDA as **Main Exporter** to the successful bidder (only to the supplier on whom order is placed) and bidder shall also sign at the time of dispatch on all copies of ARE-1 with their Company Seal in the ARE-1 (as Co-exporter). The cancellation of such Block Transfer shall be done by BHEL- PPEI NOIDA. The supplier to enclose original ARE-1 (White) and second ARE-1 (Buff Colour) duly filled in and endorsed at each ARE-1 at the back by their Local Excise Range/ Office with Seal as date and time of movement of goods along with the dispatch documents of goods to **Chennai Port**. However, the supplier shall be responsible to forward pink copy of the ARE-1 to BHEL PEM required as one of the enclosure for cancellation of the Excise Bond OR copy of the letter from the Local / Range Excise Office forwarding the PINK

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copy of ARE-1 directly to the Office of the Excise Commissioner, ITO, New Delhi, which shall be given by the supplier to BHEL-PEM PPEI NOIDA -201301. (UP).

10.1.1.C. Central Sales Tax:

- i) For Central Sales Tax purposes, BHEL-PEM shall provide H-Form to the respective bidder / supplier after the dispatches to avail the benefit of NIL Sales Tax. Thus, NIL Excise duty & NIL Sales Tax to be charged by bidders in their quoted prices in the BID, for their Packages to the BHEL. For obtaining H-Form by supplier from PEM, a SEPARATE REQUEST SHALL BE MADE BY SUPPLIER ENCLOSING THEIR INVOICES AND LIST OF Package (Number) dispatched.
- ii) Before dispatch of materials, bidder shall get all Cases / Boxes stamped /sealed by Superintendent Excise of their Area/ Range, so as to avoid the opening/ inspection of these boxes by Custom Authority at Port OF Dispatch from India.

10.2.1 The bidder/ supplier to note that No custom duties/ Foreign exchange etc. on the Equipment / assemblies required by bidder for their Assemblies/ finished equipment/ supplies shall be admissible. BHEL shall not bear any liability arising out of foreign Exchange Rate Variation (ERV) OR on account of statutory variation in custom duty for any of the items imported by the bidder for their supplies for KOSTI - SUDAN project.

10.2.2. In the circumstances, if supplier is importing raw material like Copper etc. for manufacturing Cables etc. to physical export to SUDAN, the supplier shall pay the custom duty ON Raw Materials at Port on Copper etc. as per Law and shall avail drawback duty paid to custom later by himself without involving BHEL. The supplier shall declare this raw material CIF Contents at enquiry stage separately in their prices to BHEL-PEM before price bid opening. The supplier shall declare to BHEL-PEM that nil custom duty has been considered for the identified imported raw materials in their offer to BHEL-PEM. The supplier at enquiry stage shall identify the documents required from BHEL-PEM for duty drawback. BHEL shall consider giving the Disclaimer certificate OR any other documents needed for custom Duty drawback to the supplier after physical export of finished supplies from the said supplier to KOSTI SUDAN.

OR alternatively the Supplier to obtain advance license from DGFT for availing Nil Custom Duty on Raw Materials i.e. Copper etc. BHEL shall provide the necessary Customer contract Documents for obtaining such Advance License by Supplier. Also cancellation of Export liability for the advance license shall remain with the supplier, however their License Number shall be included in the B/L OR AWB at the time of dispatch as proof of utilization of Raw Material and Export Shipment. Any other documents like Disclaimer certificates if required shall be given by BHEL PEM to facilitate the advance License utilization/cancellation by the supplier for KOSTI – SUDAN Project.

10.2.3. In the circumstances, PEM supplier is importing part finished equipment / items from the allowed countries i.e. & intends to bring the finished materials to Chennai Dock and keeping it in the Bonded warehouse for re-exporting to SUDAN without taking such equipment to their works for further value additions. The HIGH SEA SALES shall be agreed between BHEL-PEM & PEM's supplier with Customs at Chennai, through High Sea Sales agreements. Also

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the Documentations / Bonds etc. relating to storage of materials in bonded warehouse in the custody of custom authorities without payment of custom duty for re-exporting to Kosti – SUDAN by the PEM supplier, shall be signed by BHEL-PEM as Main Supplier with the custom authorities at Mumbai Dock being that the materials is required for Physical Export to SUDAN Project.

Supplier shall arrange the documentations and preparation of bond required for bonding of materials. The Bonded warehouse charges shall be borne by the supplier. The Supplier shall be required to declare the break-up of CIF contents at enquiry stage before price bid opening in the manner as given below.

- I) Direct Import of Finished Supplies/Equipment as 3rd country Import to SUDAN.
- II) Imported Supplies/Equipment to be brought to India and keeping it under Bonded ware House under customs custody by making High Sea sales by BHEL for Re-shipment to SUDAN.

No custom duty on above items I) & II) shall be included in the price bid to BHEL-PEM. The financial liability, if any arising due to High Sea Sales agreement and Bondedware House charges shall be borne by the supplier and such liability to be included by Bidder in their prices to BHEL-PEM.

- 10.3 The bidder to quote their firm prices **upto FOR Chennai Port – BHEL Yard inside port.** Unloading of vendor's/ sub-vendor's material from their vehicle at BHEL/ Docks and storage shall be in BHEL scope. Also re-loading from yard unto Dock, customs examination, loading into Ship/ vessel and preparation of Shipping Documents and Bill Of Lading shall be in BHEL scope at port.

Bidder's responsibility of supply shall be upto Handing Over their consignments at BHEL/ DOCKS Near Marshalling Yard, F.O.R. Chennai PORT.

- 10.3.1 For any dangerous goods/ inflammable goods like Gas, Paint, Oil etc, the vendor to furnish the Chemical Composition/ specifications, Dangerous goods HAZ certificate & Safety Certificate by authorized agencies prior to dispatch.

10.4 The Procedures to be followed for Third Country Import by PEM Supplier is as below.

- 10.4.1 All Cargo and related shipping documents shall be prepared incorporating the following details wherever required.

- A. Consignee: National Electricity Corporation
99, Gama'a Avenue,
P.O. Box 1380
Khartoum, Sudan (PH: 249-183-776321, fax:249-183-782188)
- B. Notify Party: (for BHEL)
Consignee: National Electricity Corporation
99, Gama'a Avenue,
P.O. Box 1380
Khartoum, Sudan (PH: 249-183-776321, fax:249-183-782188)

AND

Volume-IV-A

Rev. 02

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BHARAT HEAVY ELECTRICALS LIMITED
Consignee : National Electricity Corporation
99, Gama'a Avenue,
P.O. Box 1380
Khartoum, Sudan

- C. Port of Entry : Port Sudan
D. Terms of Delivery : C&F Port Sudan/Airport of Sudan
E. Marks & Numbers on Packing Cases:

Following marking and numbering must be done in black indelible ink on all sides of packing cases except Mandatory and Commissioning Spares (which should be marked in red ink)

Consignee : NATIONAL ELECTRICITY CORPORATION
99, GAMA'A AVENUE
P.O. BOX 1380
KHARTOUM - SUDAN

Destination : KOSTI POWER PLANT - KOSTI

TEL: 249-183-776321
FAX: 249-183-782188

Contact : NEC/BHEL/G-KOSTI/06/01

LC No. : To be communicated later by PEM/ MM.

Consigner : Bharat Heavy Electricals Limited
International Operations Division,
Integrated Office Complex,
Lodhi Road
New Delhi - 110003. INDIA

Case No. : *(Numbering as per scheme item 18.0)*
Size in Cms. (LxBxW) :
Gross Weight in Kgs. :
Volume in Cubic metres. :

Port of Discharge: PORT SUDAN/ AIRPORT OF SUDAN

F. Marking for Safe Handling:

To ensure safe handling, packing cases will be marked to show the following:

- Upright position.
- Sling position and Centre of Gravity position.
- Storage category.
- Fragile components (to be marked properly with a clear warning for safe handling).

- G. **Identification Marks:** The Vendor shall ensure that clear and sufficient identification marking is provided on consignment as follows for easy Identification of Cargo at the Port.

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- a. On minimum 2 sides of every box the following markings shall be stenciled in letters 7.5 mm tall.

For Consignment to : 4x125 MW Kosti-Sudan.

Package dimensions in meters

Weight in Kilograms.

Specific handling and storage instructions in line with sea-worthy Export Packing Procedure for shipment available with technical specifications shall be followed.

9 Bands (colour scheme of bands to be intimated later), each 5 cm. wide painted around the package.

- b. Packing List in a water proof cover inserted in steel sheet pocket fixed in a clearly visible position outside of the Package/ Box.
- c. Individual items shall be tagged with Part Numbers to co-relate with packing list.

10.4.2 DOCUMENTS REQUIRED FOR CUSTOM CLEARANCE AT BHEL/ KOSTI-SUDAN OFFICE

The following original shipping documents have to be sent directly by foreign supplier by Courier to BHEL, Khartoum office address given as below, within 7 days from the date of shipment of materials by Sea and within 2 days of shipment of material by Air.

10.4.2.1 BILL OF LADING/ AIRWAY BILL:

- a. Bill of Lading/ Airway Bill in ORIGINAL (negotiable) plus 3 non-negotiable originals.
- b. Original Bill of Lading/ Airway Bill, made out to :

"National Electricity Corporation"
For Bharat Heavy Electricals Limited,
Contract No. NEC/BHEL/G-KOSTI/06/01
For Kosti 4x125 MW Power station, P.O. KOSTI, Distt : White Nile State

and Notify Party as mentioned at Point 1.B.

- c. Bill of Lading/ Airway Bill must show the Name, Address, Phone and Fax Numbers of the Vessels/ Flight's agent at Port of Discharge.
- d. Bill of Lading/ Airway Bill must show the weight and volume of the consignment.
- e. Bill of Lading/ Airway Bill must show shipping marks as indicated at Point 10.4.1.E above.

10.4.2.2 COMMERCIAL INVOICE: (Vendor to BHEL)

- a. Signed Commercial Invoice in ORIGINAL plus 3 copies.
- b. Original Invoice to be addressed to BHEL Unit who have placed order on the vendor.
- c. Invoice must show the price as C&F, Sudan Port/ Airport.
- d. Invoice must NOT show any L/C Number, Bank Name, Purchase Order Reference No. Local Vendor reference No. etc.

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- e. Commercial Invoice must show Shipping Marks as indicated at point 10.4.1.E above.

10.4.2.3 LEGALIZED CERTIFICATE OF ORIGIN :

It will be arranged by BHEL IO-P New Delhi for Indian supplies AND by foreign supplier for 3rd country supplies. It shall show :

Port of Loading Sea Port / Airport
Expected date and time of arrival at Port Sudan/ Khartoum Airport
Number of cases/ Containers/ Packages and its Gross/ Net weight in Kgs.
Volume in Cubic metres.
Invoice value.
Special markings, if any.

The above-mentioned details are to be sent by Fax/ E-mail to the following:

- a. BHEL-PEM, PPEI NOIDA.
b. Contract Manager, BHEL – Project Office, Khartoum, SUDAN by E-mail.
c. Dy. General Manager, International Operations Division, BHEL,
Integrated Office Complex, Lodhi Road, New Delhi – 110 003, INDIA.
Fax : 0091 11 24368406, 24367130, Email : kss@bhelindustry.com

10.4.2.4 SPECIAL INSTRUCTIONS:

- a. None of the above-mentioned documents to show any Letter of Credit Number, Bank Name, Purchase Order reference Number, local vendor name etc.
- b. Legalization of documents mentioned above by Honorary Consulate is not permitted.
- c. Bidder shall fax immediately after dispatch by Sea or Air all documents listed at 10.4.2.1 to 10.4.2.3 above to Contract Manager, BHEL, Project Office, Khartoum, SUDAN. Intimation by E-Mail shall follow for confirmation prior to sending of Original documents.
- d. All original documents i.e. 10.4.2.1 to 10.4.2.3 mentioned above must be made available to Contract Manager, BHEL Project Office, Khartoum, SUDAN, 7 days prior to the arrival of Vessel and 2 days in case of Air Shipment.
- e. Any non-conformity to the procedure listed above will result in payment of customs duty and demurrage at Sudan and it will be recovered from the vendor.

Commercial Invoice and Packing List inline with item numbers and description must match with Purchase Order, item number and description.

Bill of Exchange can contain LC Number, Banker Name, Purchase Order reference and Purchaser Name etc.

Cargoes normally to be sent to Port Sudan.

- f. For any dangerous goods/ inflammable goods like Gas, Paint, Oil etc, the vendor to furnish the Chemical Composition/ specifications, Dangerous goods HAZ certificate & Safety Certificate by authorized agencies prior to dispatch.

10.5 FORMALITIES IN CONNECTION WITH 'N' FORM:

Octroi at Chennai Port is not applicable. Thus N-Form will not be required

11.0 TERMS OF PAYMENT FOR SUPPLY:

11.1 SUPPLIES:

- a) 85 % against dispatch/ shipping documents directly to PEM for Supply and to PS NR/ NOIDA for Turnkey Packages (where Supply and Supervision of E&C is applicable).
- b) 10 % against site Material Receipt Certificate (MRC) to be issued by Construction Manager, BHEL Site at SUDAN OR 90 days from the date of Bill of Lading as Proof of dispatch, which ever is earlier, documents to PEM/ PS NR-NOIDA as per 11.1(a).
- c) 5 % of Final supply payment on submission of final drawing (20 Prints / 6 CDs), As-built drgs. (20 Prints/ 6 CDs), (20 prints + 6 CDs of O&M Manuals) to BHEL PEM-MM, PPEI NOIDA for onward distribution to Customer for SUDAN Project, with documents to PEM/ PS NR-NOIDA as per 11.1(a).

11.2 SUPERVISION OF E & C :

The SCC for vendors' supervision of E&C prepared by our PS NR Noida (Constructions Division) is enclosed at Vol - IV B (6 pages) indicating various terms & facilities which will be provided by BHEL at project site and also the schedule of rates format, which shall be basis for quoting the prices for supervision of E&C portion of the package. The order for the supervision of E&C packages shall be placed separately by PSNR Noida. The payment for Supervision of E&C Services shall be released by the PSNR Noida to the bidder. In the enquiry it shall be specifically mentioned that the package is 'supply' only OR 'supply & supervision of E&C'. The Vol - IV B shall be applicable for those packages, which are indicated by BHEL-PEM as 'Supply & supervision of E&C'. The bidder shall quote accordingly to BHEL-PEM. The payment for supervision of E&C shall be made by PS NR-NOIDA.

NOTE (applicable for 11.1 & 11.2 above) :

The bidder to note that the Total Prices for Supply & Supervision of E&C, LESS Service Tax on E&C of the package shall be considered for evaluation purposes and for arriving at L1 Bidder Status.

12.0 INSURANCE

12.0.1 INLAND INSURANCE upto FOR CHENNAI :

Vendors to Book/ cover their consignments under the comprehensive (MCE) Insurance Policy taken by BHEL for the complete project covering the dispatches from vendor works in India upto safe handing over of the consignment to BHEL – ROD, CHENNAI (Plot inside Chennai Port) and further shipment by BHEL upto BHEL site stores/ Godown at KOSTI-SUDAN Project site. The Details of Insurance policy are as follows :

BHEL has taken the Marine cum Erection (MCE) Comprehensive Policy with M/S United India Insurance Co Ltd . The details of MCE Policy are as below :

- A) Marine Policy -040500/21/06/02/00000005
- B) Erection All Risk (EAR) Policy -040500/44/06/04/40000017.

Start of Policy w.e.f. : 8th March 2007.

Regional Office:

Shri D.K. Soni
M/s. United India Insurance Co. Ltd.
Delhi Regional Office No. 1
8th floor, Kanchenjunga Building
18, Barakhamba Road, New Delhi
email: ronewdelhi@uiic.co.in

Divisional Office

Shri Sanjiv Bansal
Divisional Manager
M/s. United India Insurance Co. Ltd.
Divisional Office V
68/1, Janpath
New Delhi

Phone Nos. 011-23327901
011-23318138
Fax No: 011-23327901
Email ID: uiic05@yahoo.co.in

12.0.2 INSURANCE FOR FOREIGN BIDDERS FOR THIRD COUNTRY IMPORT DIRECTLY TO SUDAN

For third country import to SUDAN the BHEL Insurance policy at 12.0.1 shall also be applicable to the foreign bidder/ supplier to cover their goods under BHEL Insurance Policy from their Godown upto the BHEL site Stores/ Godown at KOSTI-SUDAN project site.

Bidders to note that NO INSURANCE POLICY TO BE TAKEN BY THEM FOR KOSTI SUDAN PROJECT.

Bidders to note that time is the essence for this contract and during movement of goods, loading/ unloading, handing at the port, if any damage or loss happens to the goods/ consignment, under BHEL insurance cover, the bidder shall replenish the same item/ items immediately without loss of time and financial implications on account of such situation shall be settled separately after insurance claim settlements by PSNR/ BHEL-PEM PPEI NOIDA.

13.0 BILLING SCHEDULE/ SHIPPING LIST FOR SUPPLY PORTION :

Billing Schedule shall be prepared by the vendor and submitted to BHEL-PEM/MM for approval (in the event order is placed by BHEL-PEM). The freezing of Billing Schedule in cat-I (Approved) is must before commencement of dispatches. No payment shall be made in the absence of approved Billing Schedule. The Billing Schedule shall contain the following:

- a) Lists of all items of total scope of supply, both manufactured at vendors works and sub-vendor's items with unit and total price in Indian Rupees (F.O.R. Chennai Port). No item is to be made as free issue required for completion of supply scope/ system.
- b) Quantity shall be indicated only in numbers and not as Sets or Lot. In case, sets are indicated, it is to be defined in quantity/ Nos.
- c) The Billing Schedule for Mandatory Spares/ Recommended Spares as applicable shall also be approved separately by BHEL-PEM/MM in consultation with Engg. before the dispatches of such Spares.

14.0 INVOICES VIS-A-VIS PAYMENT:

14.1 DOMESTIC SUPPLIER :

The payment to supplier (To the successful bidder) shall be made in Indian Rupees (CLAUSE 11.1) and NO LC shall be opened for the domestic vendor by BHEL for this purpose. The invoices for direct payment along with Dispatch Documents (5 Sets) are to be submitted to :

DH/MM, BHEL/PEM
POWER BLOCK PPEI,
PLOT 25, SECTOR 16A
(NEAR FILM CITY) NOIDA – 201301.

And copy of the same to be furnished to : SDGM (F)/ BHEL PEM at the above address.

The shipping documents are given as below :

- a) Supplier Invoice
- b) Packing List as per sl. No. 19.0 duly signed by PEM inspection agency/ supplier.
- c) ARE-1 Copy (both sides after endorsement by Local Excise Office/ Range).
- d) CQS Inspection Release Note.
- e) CQS Packaging Inspection Release Note.
- f) BHEL-PEM MDCC in original.
- g) Original LR duly receipted materials by BHEL-ROD Chennai/ BHEL CHA at Chennai Port to be given to PEM.

The requirement of any other documents, if needed for release of supplier payment shall be informed later to the successful bidder at the time of placement of LOI/ PO.

14.2 FOREIGN SUPPLIER (ON WHOM P.O. IS PLACED DIRECTLY BY PEM) : THIRD COUNTRY IMPORTS.

L.C. shall be opened by BHEL-PEM and Payment shall be released (85% on dispatch) to the foreign supplier in line with Terms of payment as per clause 11.1. The documents for LC payment are given as below.

- a) Signed supplier Commercial Invoices (One Original + 5 certified copies thereof).
- b) **Full Set of Clean Bills of Lading** : Complete set of shipping B/L showing freight prepaid as per the rates of regular shipping lines.
- c) In case of Air Freight consignment, one original AWB is required together with three copies of the same.
- d) **Packing List** : As per sl. No. 19.0 duly signed by Third party Inspection agency/supplier.
- e) **Certified Inspection Certificate** Approved by Customer, if applicable.
- f) **Age of the vessel** (Lloyd certificate in original) shall not exceed 20 years on the date the materials are destined to reach port in Sudan.
- g) **Valid Lloyds or other authorized agency's Certificate** (in original) of both the handling gear and hull of the vessel should be available prior to fixing up of the vessel and also certificate that Vessel is having automatic Loading/ unloading cranes facility.
- h) **Certificate of Freight** having been pre-paid as per the regular shipping lines is required on B/Ls and as per ICC 500.
- i) Subject cargo would be generally shipped under the deck to be indicated in B/L.
- j) **Specific confirmation/ clearance of IO-Projects/ BHEL-PEM/ MM-PPEI NOIDA** is needed for shipment on deck.
- k) **LC No., Buyer's Reference (Contract No.) of Customer** will be given later and it is required to be indicated/ printed on original Clean B/Ls, as well as copies of the B/L.
- l) **Third Country Supplies** shall be made on C&F basis. BHEL-PEM to inform the supplier to ensure the compliance to the above certificates/ requirements, which shall be reflected in the Purchase Order/ LOI to the foreign supplier.
- m) **Insurance Certificate** : Policy shall be intimated by BHEL-PEM to the foreign supplier for covering the 110% value of the consignment upto project site at KOSTI SUDAN under the BHEL's insurance policy covering all the risks (Refer Clause No 12.0.2)

The requirement of any more documents, if needed, shall be informed later to the successful bidder at the time of placement of LOI / PO.

14.3 FOR 10 % SUPPLY PAYMENT AGAINST RECEIPT OF MATERIALS AT SITE :

5 sets of invoices (Linking with the original invoice for dispatch) along with Materials Receipt Certificate issued by BHEL site. This certificate will be arranged by BHEL-PEM from Site/ BHEL International Operation Division, Lodhi Road Complex, New Delhi and shall be given to the vendor for claiming payment of MRC OR 90 days from the date of B/L OR AWB, whichever is earlier.

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31.8.2007

14.4 LAST 5 % SUPPLY PAYMENT :

5 sets of supplier bills along with proof of submission of final drawings (Print/ CD Form), As-built drgs (Print/ CD Form), O & M Manuals to BHEL PEM-MM, PPEI NOIDA.

14.5 For payment against supervision of E&C (Refer Clause 10.2 of SCC for Supervision of E&C given at Annex. Vol – IV B):

15.0 LD Calculations:

LD to be worked out / levied upto the date of handing over of the goods to BHEL-ROD Chennai at BHEL Plot Near Marshalling Yards inside the Chennai Port OR appointed clearing House agent. Hence original LR stamped with date indicating the handing over date of consignments to BHEL Chennai to be submitted by the supplier to PEM as proof of goods handed over to BHEL at Chennai with the dispatch invoices.

16.0 GUARANTEE PERIOD:

Guarantee period for equipment supplies shall be as follows:

- a) Supply for unit I upto 01.04.2010
- b) Supply for unit II upto 01.08.2010
- c) Supply for unit III upto 01.12.2010
- d) Supply for unit IV upto 01.04.2011.

However, minimum Guarantee period of 18 months from the date of dispatch for respective unit has to be ensured by the bidders for their supplies/ system/ package for KOSTI-SUDAN project.

17.0 DISPATCHES:

All consignments are to be made to the Consignee as per the address given at Sl. No. 5.0 by road upto FOR Chennai Port on Freight Prepaid basis to the transporters. The supplies beyond FOR Chennai up to project site SUDAN shall be handled by BHEL-ROD, Chennai / IO (P).

PEM Inspection Agency (CQS) shall carry out the inspection of supplies at supplier's works as well as at their sub-vendor works & Packaging Inspection also.

The dispatches shall be made only after CQS Inspection of supplies & packaging inspections and MDCC is issued by BHEL-PEM/ MM. All items covered in the MDCC to be dispatched together in the identified Despatchable units (DUs) with descriptions, BBU No./ Billing Ref. No., so as to identify these items easily on Receipt at Site. The case/ box No. as per instructions Scheme given at sl. No. 18.0 of this SCC shall have to be strictly followed by PEM supplier for the dispatches of their ordered scope by PEM.

18.0 PACKING INSTRUCTIONS PRIOR TO DISPATCH BY BHEL-PEM'S SUB-VENDORS :

Following Package / Box Numbering System shall be complied with by the PEM's Suppliers. Each package/ consignment shall have total 25 character numbers in 5 barrels.

KSIX XXX XXX/XXX XXXXX XXX of XXX
I II III IV V

Barrel I : KS -Indicates supplies for KOSTI SUDAN, I stand for (Unit no.) 1 to 4, X stands for Main Supplies, M for Mandatory Spares, C for commissioning Spares.

Barrel II : Indicates short name of system in three characters for which equipment are supplied e.g. ACS (Air Conditioning System), FPS (Fire Protection System etc.) (BHEL-PEM shall develop the barrels nomenclatures and indicate this barrel to the PEM's supplier for their package and also intimate to IO (P) for perusal and control).

Commissioning Spares, mandatory spares to be categorized as CMS/ MDS respectively and packed separately and not to be mixed up with main equipment. Such boxes to be identified with Red Colour Markings as described later at sl. No. 46.0.

Barrel III : Indicates 7 characters for Unit/ Sub-vendor's names in 3 characters each. (PEM New Delhi shall develop the barrel i.e. sub-vendor's 3 digit nomenclatures and indicate this barrel to the PEM's supplier for their package and also intimate to IO (P) for perusal and control). Unit's characters are classified below:

TRY: Trichy
HYD: Hyderabad
BPL: Bhopal
JHS: Jhansi
EDN: Electronics Division, Bangalore.
TBG: Transmission Business Group, Bhopal.
PEM: Project Engineering Management, NOIDA.
RPT: Ranipet
ISG: Industrial System Group
PNR: PSNR, NOIDA

Barrel IV: Package numbers in five characters. No duplication of box numbers is permitted. Following box numbers block applicable for PEM-NOIDA shall be used.

TRY: 00001 to 30000
HYD: 30001 to 40000
BPL: 40001 to 45000
JHS: 45001 to 50000
PEM: 50001 to 60000
EDN: 60001 to 62000
TBG: 62001 to 66000
RPT: 66001 to 70000
PNR: 70001 to 75000
ISG: 75001 to 76000
IOD: 76001 to 80000

Units to further split the numbers supplier-wise as required and inform IO (P) for perusal and control.

Barrel V : Permits Number of boxes in a system to be supplied as one lot e.g. Oil Drums, Cable Drums and Cable Trays etc. (e.g. **If 100 drums were supplied for 6.6 kV cables, the boxes would be 001 of 100 to 100 of 100.**)

(This barrel is optional and shall not be used if there are no parts.)

19.0 **PACKING LIST :** (Copy of the format attached at the end).

This format is to be strictly followed by the supplier/ bidder (applicable for the successful bidder on whom order shall be placed by PEM). The packing list duly filled in with details in Soft Form is to be provided by supplier to BHEL-PEM before dispatch to book space in the container or Vessel. The format is unified and its completeness with regard to measurement, quantities, item numbers, marks and numbers by the supplying units/ their sub-vendors and their inspection agencies has to be ensured prior to packing and authorizing dispatch clearance (MDCC) by PEM/ MM.

19.1 Annexure to Packing List (to be provided in Soft as well as Hard Form) to PEM before dispatch of materials to Port of Discharge.

20.0 **COMPLETENESS OF CONTENTS OF EACH PACKING CASE :**

Concerned CQA/ Third Party Inspection Agency for PEM PPEI NOIDA scope (ordered on PEM supplier) will verify the completeness of contents of each package w.r.t packing list both in terms of quality and quantity for obtaining MDCC from PEM and shall submit the signed Packing list .

21.0 **ROUTING OF PACKING LISTS :**

Packing list is an extremely important document, which forms a part of Export Documentations in connection with the processing of customs formalities. **Packing List has to be generated in Soft and Hard Form by units/ Unit vendors and sent to IO-Projects at Lodhi Complex, New Delhi and ROD Chennai (both at the same time), sufficiently in advance, for processing and obtaining shipping bills' clearances . All PEM's suppliers to note that Chennai would be the port of shipment from India.**

22.0 **ADVANCE INTIMATION ABOUT DESPATCHES TO BHEL-ROD Chennai, BHEL IO Project, New Delhi & BHEL-PEM PPEI NOIDA :**

An advance fax intimation of dispatch of material/ Equipment and expected date to reach at Chennai Port shall be intimated by the supplier to DH MM/ PEM PPEI NOIDA, BHEL IO (P) Lodhi Complex, New Delhi and BHEL-ROD Chennai. (The contract person & Tel. no. & address of ROD Chennai etc. is given as below).

All materials to be dispatched under intimation to :

**Sr. Manager (export / Air Cargo)
Bharat Heavy Electricals Limited
Regional Operations Division
1st Floor, Lotus Court, 338 (old No. 165), Thambu Chetty Street
Chennai - 600001.
Attention: Rajasundar V.J.**

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31.8.2007

PH. 044-25341249,25341297,25341240,25341472, FAX 044-25340787

Email:- raja@rodchn.bhel.co.in

All PEM's suppliers will give at least seven days advance intimation after packaging inspection is completed by BHEL CQS/ Third Party Inspection Agency to ROD, Chennai & IO-Projects along with package details/ Packing List and Annexure to Packing List before actual dispatches to arrange for the storage/ shipping arrangements by ROD Chennai and preparation of BHEL Invoice for customs invoicing by IO-Projects. Information must be sent to consolidate the details and arrange for shipments in time.

23.0 EXCISE ATTESTATION AT WORKS :

To avoid opening of boxes for examination by customs at Port of Shipment, the supplying unit/ PEM's sub-vendors shall arrange to get the packing cases sealed by local excise authorities and the relevant invoices and packing lists ARE-1, will be got endorsed from Superintendent, Central Excise. Further for shipment, Units/ PEM's sub-vendors should send the packing lists to IO-Projects at least 07 days in advance to enable prepare BHEL's Shipping Invoices for a smoother and faster customs clearance under intimation to PEM/MM/PPEI NOIDA.

24.0 PROVISION OF INSPECTION WINDOWS ON PACKAGES :

Unit/ supplier should provide inspection window of Size 6"x 4" (Glass Perplex) for customs examination at Port of dispatch for boxes above size of (1.5 x 1.5 x 1.5 cum). Care would be taken to ensure that all packages are properly sealed to avoid ingress of moisture, rodents etc.

25.0 Drawings for Heavy Weight/ ODC consignment :

Detailed engineering documents (at least 4 sets) for all items of the above category will be furnished by respective units/ PEM Sub-vendors to make arrangement at Port for safe handling. The drawing has to include center of gravity of the item clearly. Units / PEM's sub-vendors to identify such items and notify to IO-Projects group through BHEL-PEM/ MM as soon as the Engineering Documents are released.

26.0 LIFTING BEAMS :

All heavy packets/ material, for which safe handling is essential at the port of dispatch, shall be accompanied by lifting beam on non-returnable basis with sufficient number of sleepers.

27.0 Proper Capacity of Trailers for inland Transport in India :

The PEM's suppliers making arrangements for inland transport in India for the goods ordered by BHEL-PEM, should ensure that the trailers would be able to carry the actual weight of all Boxes (not designed weight) of the equipment. No overhanging of the cases should be permitted. This is essential to avoid any damage to the consignment en-route to the port of dispatch.

The truck /Trailers carrying the cargo shall be covered with a Tarpaulin to meet the weather vagaries in inland transport.

28.0 Shipping / Dispatch Documentation including those covered for customs requirements :
Customs Invoices: Values to be allocated by IO-Projects (Alternatively, Excise attested invoices where the package is sealed and dispatched by the units / PEM's sub-vendors)

- Packing Lists
- ARE-1 Forms/ Excise Gate pass corresponding to Unit PEM Sub-vendor invoice values and Delivery challans.
- DEEC Original License, wherever duty free facility for import is availed. DEEC book to be retained by ROD Mumbai till project supplies are complete.
- Chartered Engineer's Certificate, wherever entries in DEEC license is required. Care should be taken to ensure that usage of the materials shown in C.E. certificate out of DEEC goods is not disproportionate.
- Copy of Advance License
- Catalogues/ literature/ write-up in case of customs endorsement for discharging exports obligation in case of DEEC imports to be made available to ROD before arrival of goods in the city of port of dispatch.

29.0 Guidelines for Dispatches from Units/ Indian Vendors :

- Vehicle drivers shall carry excise gate pass in original/ ARE-1 (White + Buff in original). Each consignment carried by the vehicle shall have a separate gate pass/ ARE-1 and it must be ensured that materials under one gate pass/ ARE-1 gets transported together in the same truck/trailer.
- In order to avoid any problems at port of dispatch from the point of view of i) shipping bill preparation, , ii) control and movement of cargo within Chennai Port, and iii) physical examination of cargo by customs, the materials under the category, i.e. a) DEEC cargo b) Free shipping bill cargo c) DEPB (duty entitlement pass book scheme), d) duty drawback must be sent in the same truck/trailer.

Units / PEM's sub-vendors to ensure that ROD is communicated clearly the type of shipping bills to be prepared (As applicable from above Para), well before the materials are dispatched from the works.

30.0 CLEARING AGENTS : (To be intimated later).

31.0 CONSIGNMENTS TO BE HANDED OVER TO BHEL ROD CHENNAI

Drivers/ Escorts carrying the export cargo for this project on behalf of the units to be advised to contact the following :

DOCK OFFICE ADDRESS DETAILS :

Sh. K. Panner Selvam,
Dy. Manager, BHEL/ Docks,
Near Marshalling Yard,
CHENNAI Port Trust,
CHENNAI – 600 001.

Ph. No.: 25360446 & 25362447
Cell : 98400 97313
E-mail id : panneer@rodchn.bhel.co.in

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Copies of the dispatch documents must be sent to ROD Chennai by i) Fax ii) e-mail through scanning of the documents, with a copy to IO-Projects.

Unloading at Chennai Port from the supplier vehicle on reaching at BHEL/ Dock near Marshalling Yard, CHENNAI Port Trust shall be the responsibility of BHEL. Also at the time of shipment the loading on the Clearing Agent's vehicle, unloading at Dock, custom examination/ Custom Clearance of the PEM consignment for shipment, preparation of shipping documents/ getting Bill of Lading from the Captain of the vessel shall be the responsibility of BHEL.

32.0 Transportation of Heavy Lifts/ ODC Packages :

Keeping in mind the need to avoid multiple handling of the consignments of the above nature with a view to avoid either ship detention or trailer detention resulting into costs to the company and avoidable inconvenience, the ships availability at the port of dispatch and reaching of the trailers at the port of dispatch has to be synchronized in such a manner that the trailer should reach maximum 48 to 72 hours prior to the berthing of the vessel. Towards this, each consignment shall be escorted by the units/ PEM's sub-vendors by a responsible executive and is recommended to be provided with a mobile for monitoring & control on movement of the cargo.

33.0 Telephonic Intimation by PEM's Sub-vendors to ROD Chennai regarding the Movement of Vehicles:

Vehicle drivers to be instructed by the units/ PEM's Sub-Vendor the contact point of ROD Chennai, regarding movement of vehicles on daily basis, especially 2 days before arrival at Chennai, so that suitable directives can be given to the driver of the vehicle for further transportation of the goods either to dock or BHEL DOCK near Marshalling Yard Chennai Port Trust Chennai.

34.0 Customs formalities Period:

Packages arriving at the port shall have a minimum time of 3 working days for customs examination and other related formalities in respect of the cargo under shipment. The goods received after arrival of the ship may not be loaded if either sufficient time does not exist or space available in the ship is booked by the carrier for other exporters due to lack of availability of the goods at the port in time for shipment from BHEL. In cases, where the committed cargo to the carrier based upon information received from all the units does not reach in time of scheduled shipment at the port of dispatch, IO-Projects would be within its right to decide the priority of loading as per the project schedule requirements given the condition that adequate space in the ship is not available to accommodate the cargo.

35.0 Duplicate ARE-1 Forms for Cancellation of Bonds:

It is necessary that the units/ PEM's sub-vendors ensure that ARE-1 Forms (White & Buff as original) along with Truck and are given to ROD Chennai. After ROD Chennai effects the shipment, endorsement of customs on White & Buff colour of ARE-1 Form would be obtained by ROD Chennai and return these ARE-1 to the concerned unit/ PEM-MM – PPEI NOIDA at the earliest for cancellation of the Excise Bond taken by PEM for this project.

[Signature]
31.8.2007